

INVESTMENT FORECAST

Retail
Columbus

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Low Vacancy and Attractive Yields Reinforce Retail Investment Across the Metro

Population growth helps limit available space. As Ohio's capital and most populous city, Columbus continues to record the fastest population growth among major Midwestern metros, supporting sustained demand for retail space. Vacancy should hover near 4.5 percent this year, about 200 basis points below the metro's historical average. Space-demand growth is concentrated on the north side, where North Columbus and Delaware County posted vacancy rates of nearly 2.5 percent in 2025, the lowest among major submarkets in the metro. North Columbus remains an established growth corridor, while Delaware County, the state's fastest-growing county, is projected to increase in population by about 50 percent by 2050. In contrast, properties in Columbus West, particularly older multi-tenant centers, may continue to face elevated vacancy as backfilling remains challenging amid a nationwide struggle for aging retail stock.

Investors target assets with stable tenant demand. Steady leasing activity from grocery stores and junior-box anchors should support investor interest in multi-tenant retail properties this year. The average cap rate for the property type last year still ranked among the five highest nationwide, reinforcing Columbus' appeal to yield-focused investors. Additionally, transaction velocity for both multi- and single-tenant properties nearly doubled in 2025. Market momentum was further reflected in the notable increase in properties trading above \$10 million, reaching roughly twice the prior annual peak, as private buyers transacted at higher price points while institutional capital pulled back. Within the single-tenant segment, sales growth has been fastest among fast-food restaurants and auto repair properties, highlighting demand for durable cash-flow assets.

2026 MARKET FORECAST

+0.7%



Employment: Columbus' workforce is expected to grow by 8,000 positions this year, the most among major Ohio markets, placing the metro in the top quartile nationally for growth rate.

200,000
sq. ft.



Construction: Deliveries will remain limited, reaching the lowest level since at least 2007, with total inventory rising by 0.2 percent. About 20 percent of this year's deliveries are multi-tenant.

-10 bps



Vacancy: With minimal construction, net absorption is projected to outpace new space additions again, pushing the metrowide vacancy rate down slightly to 3.3 percent.

+1.4%

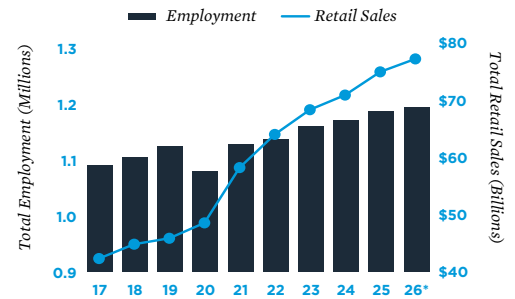


Rent: After declining in 2025, average asking rent is set to climb modestly this year to \$16.08 per square foot. The metric remains the highest among major Ohio markets.

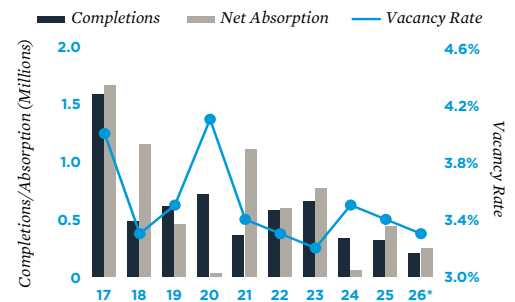
INVESTMENT:

Relative housing affordability and rising consumer demand are driving increased retail sales activity in Newark-Heath, positioning the area as an attractive option for investors seeking lower entry costs.

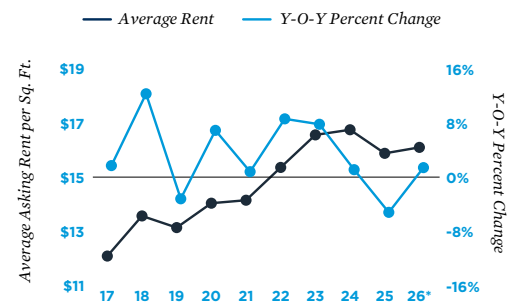
Economic Trends



Supply and Demand



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Retail

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.